

Appendix 3: Performance Evaluation Metrics

The RHNA allocation methodology must meet five objectives identified in Housing Element Law.¹ To help ensure that any proposed methodology will meet the statutory RHNA objectives and receive approval from the California Department of Housing and Community Development (HCD), ABAG-MTC staff developed a set of evaluation metrics to assess different methodology options. These metrics are based largely on the analytical framework used by HCD in evaluating the draft methodologies completed by other regions in California, as evidenced by the approval letters HCD provided to the Sacramento Area Council of Governments (SACOG), San Diego Association of Governments (SANDAG), and Southern California Association of Governments (SCAG).² Other metrics reflect input from members of the [Housing Methodology Committee](#) (HMC).

In the evaluation metrics, each statutory objective has been reframed as a question that reflects the language Housing Element Law uses to define the objectives. Each statutory objective is accompanied by quantitative metrics for evaluating the allocation produced by a methodology. The metrics are structured as a comparison between the allocations to the top jurisdictions in the region for a particular characteristic – such as jurisdictions with the most expensive housing costs – and the allocations to the rest of the jurisdictions in the region.

Metrics Based on Lower-Income Unit Percentage vs. Metrics Based on Total Allocation

Several of the metrics focus on whether jurisdictions with certain characteristics receive a significant share of their RHNA as *lower-income units*. These metrics reflect HCD’s analysis in its letters evaluating RHNA methodologies from other regions. However, HMC members advocated for metrics that also examine *the total number of units* assigned to a jurisdiction. These HMC members asserted that it is ultimately less impactful if a jurisdiction receives a high share of its RHNA as lower-income units if that same jurisdiction receives few units overall. Accordingly, each metric that focuses on the share of lower-income units assigned to jurisdictions with certain characteristics is paired with a complementary metric that examines whether those jurisdictions also receive a share of the regional housing need that is at least proportional to their share of the region’s households. A value of 1.0 for these complementary metrics means that the group of jurisdictions’ overall share of RHNA is proportional relative to its overall share of households in 2019, while a value below 1.0 is less than proportional.

Evaluation of Draft RHNA Methodology Compared to Proposed RHNA Methodology

The graphs below compare the performance of the Draft RHNA Methodology and Proposed RHNA Methodology in achieving the five statutory RHNA objectives based on the evaluation metrics. Per the ABAG Regional Planning Committee’s recommendation to incorporate the “equity adjustment” into the Draft RHNA Methodology, the charts show the performance evaluation results both with and without the equity adjustment.

¹ See [California Government Code Section 65584\(d\)](#).

² For copies of letters HCD sent to other regions, see [this document](#) from the January 2020 HMC meeting agenda packet.

Although there are some variations on individual metrics, the results indicate that the Proposed RHNA Methodology and both iterations of the Draft RHNA Methodology (with and without equity adjustment) perform well in advancing all of the statutory objectives. The results of the evaluation are largely the same on metrics related to the following objectives:

- Objective 1: increase the housing supply and the mix of housing types in an equitable manner
- Objective 2: promote infill development, efficient development, and GHG reduction
- Objective 3: promote better relationship between jobs and housing, particularly jobs-housing fit
- Objective 4: balance existing disproportionate concentrations of income categories

Although both iterations of the Draft RHNA Methodology meet all of the metrics for advancing Objective 5 (affirmatively further fair housing), on several metrics the performance of the Draft RHNA Methodology is not as strong as it was with the Proposed Methodology. The evaluation results show small declines for the Draft Methodology on metrics related to directing RHNA units to the jurisdictions exhibiting the most racial and economic exclusion and the jurisdictions with the largest percentage of high-income residents (metrics 5b, 5c, and 5d). As shown in the charts, including the equity adjustment in the Draft Methodology results in improved performance on Metric 5b and, in particular, Metric 5d, since this is the metric designed around the composite score and proportionality threshold that are embodied in the equity adjustment.

These performance evaluation results are related to revised strategies in the Plan Bay Area 2050 Final Blueprint that affected the forecasted development pattern for the region. The Final Blueprint growth pattern integrated revised Strategies and Growth Geographies adopted by the ABAG Executive Board and Commission in September 2020. These strategies emphasized more household growth in transit-rich locations to enable the Bay Area to meet its GHG reduction target from the State, contributing to small-to-moderate shifts in jurisdictions' RHNA allocations.

OBJECTIVE 1: Does the allocation increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner?

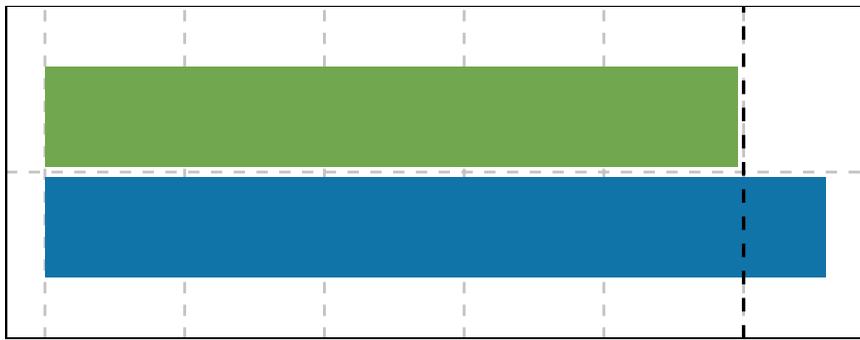
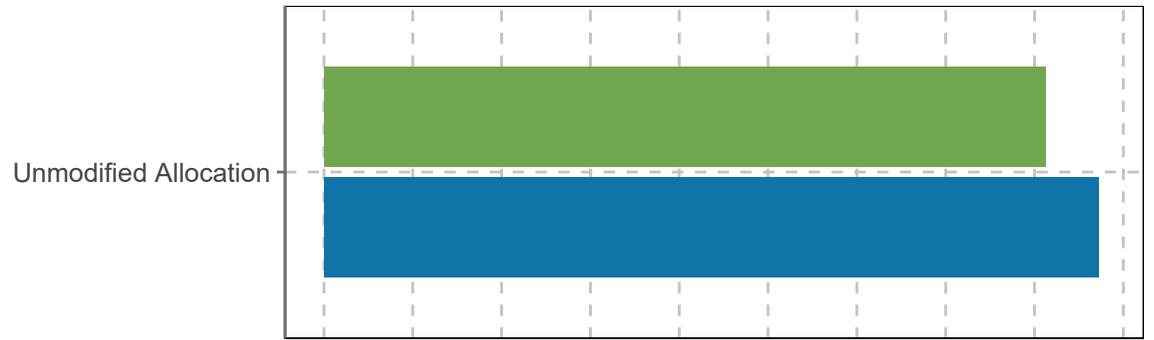
Comparison between the top 25 jurisdictions with the most expensive housing costs and the rest of the region

METRIC 1a.1: Do jurisdictions with the most expensive housing costs receive a significant percentage of their RHNA as lower-income units?

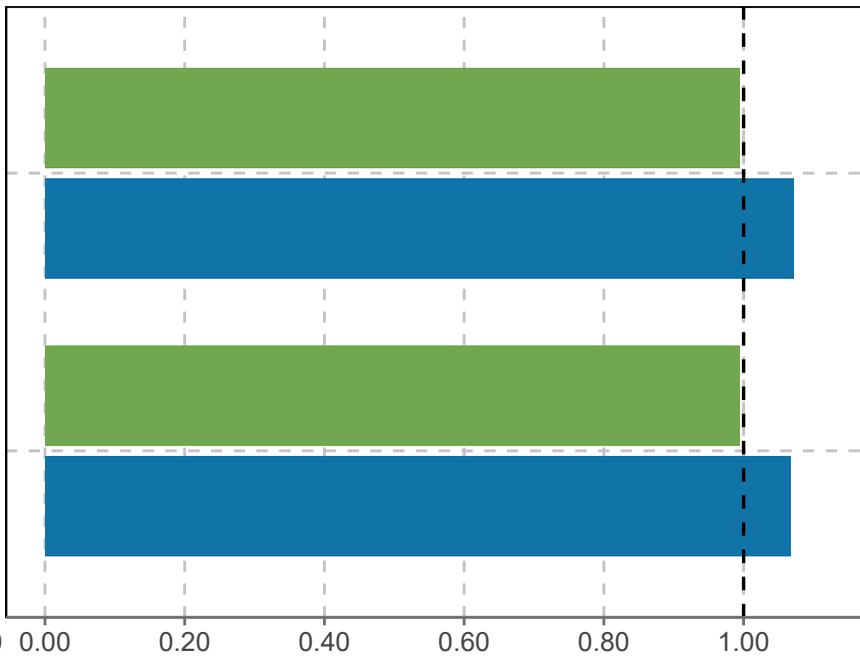
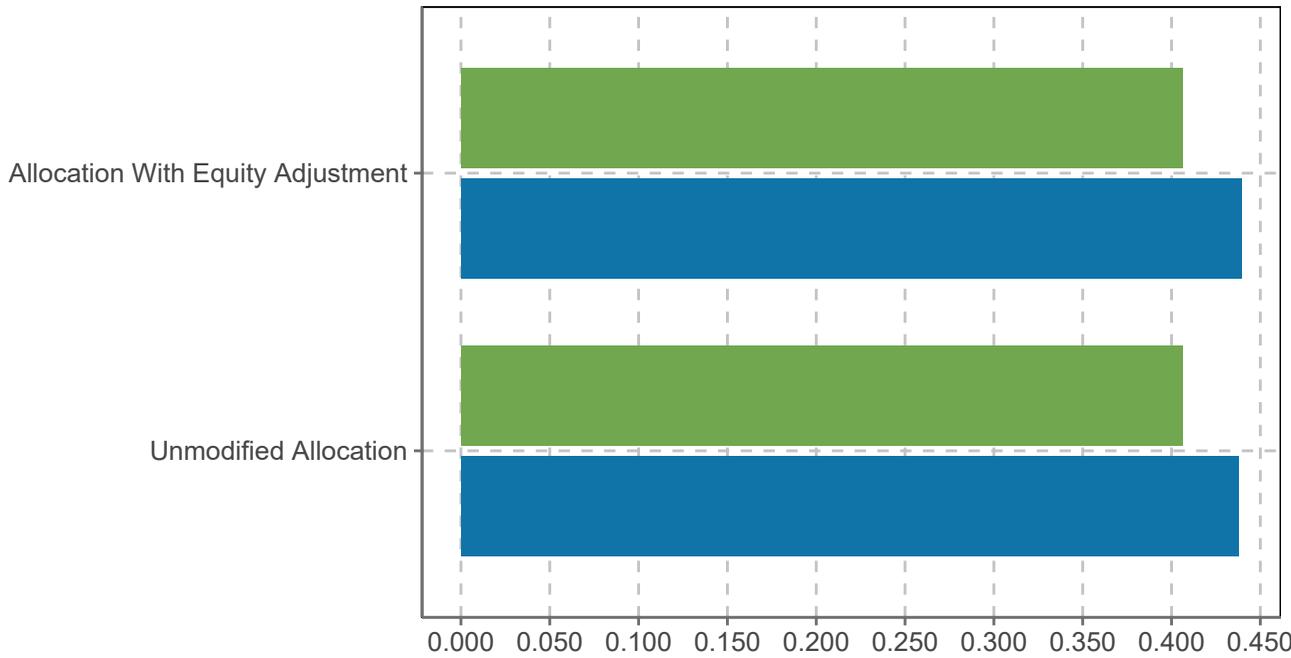
METRIC 1a.2: Do jurisdictions with the most expensive housing costs receive a share of the region's housing need that is at least proportional to their share of the region's households?

Percent of RHNA as lower income units

Ratio of share of total RHNA to share of region's households



**Proposed RHNA Methodology
(2050 Households - Draft Blueprint)**



**Draft RHNA Methodology
(2050 Households - Final Blueprint)**

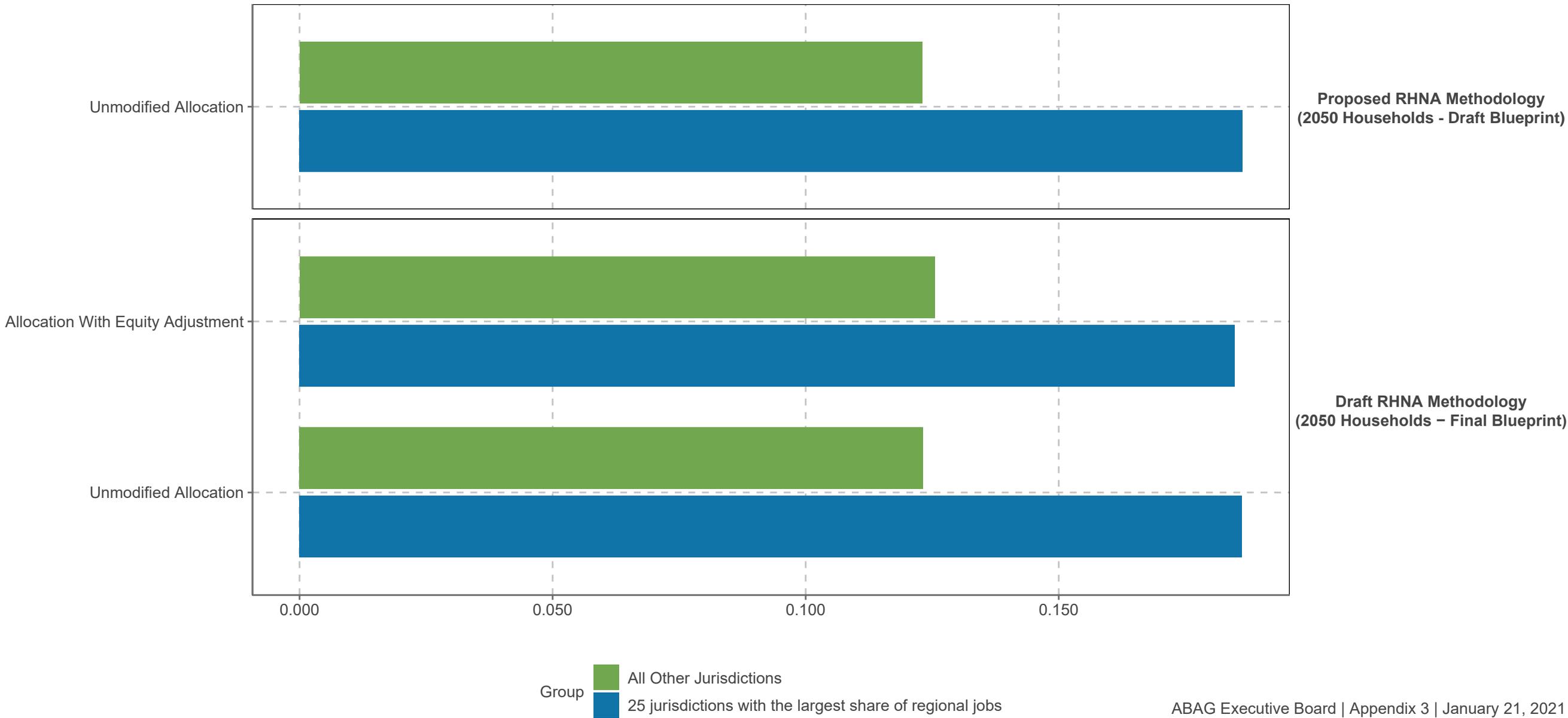
Group
■ All Other Jurisdictions
■ 25 jurisdictions with most expensive housing costs

OBJECTIVE 2: Does the allocation promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets?

Comparison between the top 25 jurisdictions with the most jobs and the rest of the region

METRIC 2a: Do jurisdictions with the largest share of the region's jobs have the highest growth rates resulting from RHNA?

Average growth rate resulting from RHNA

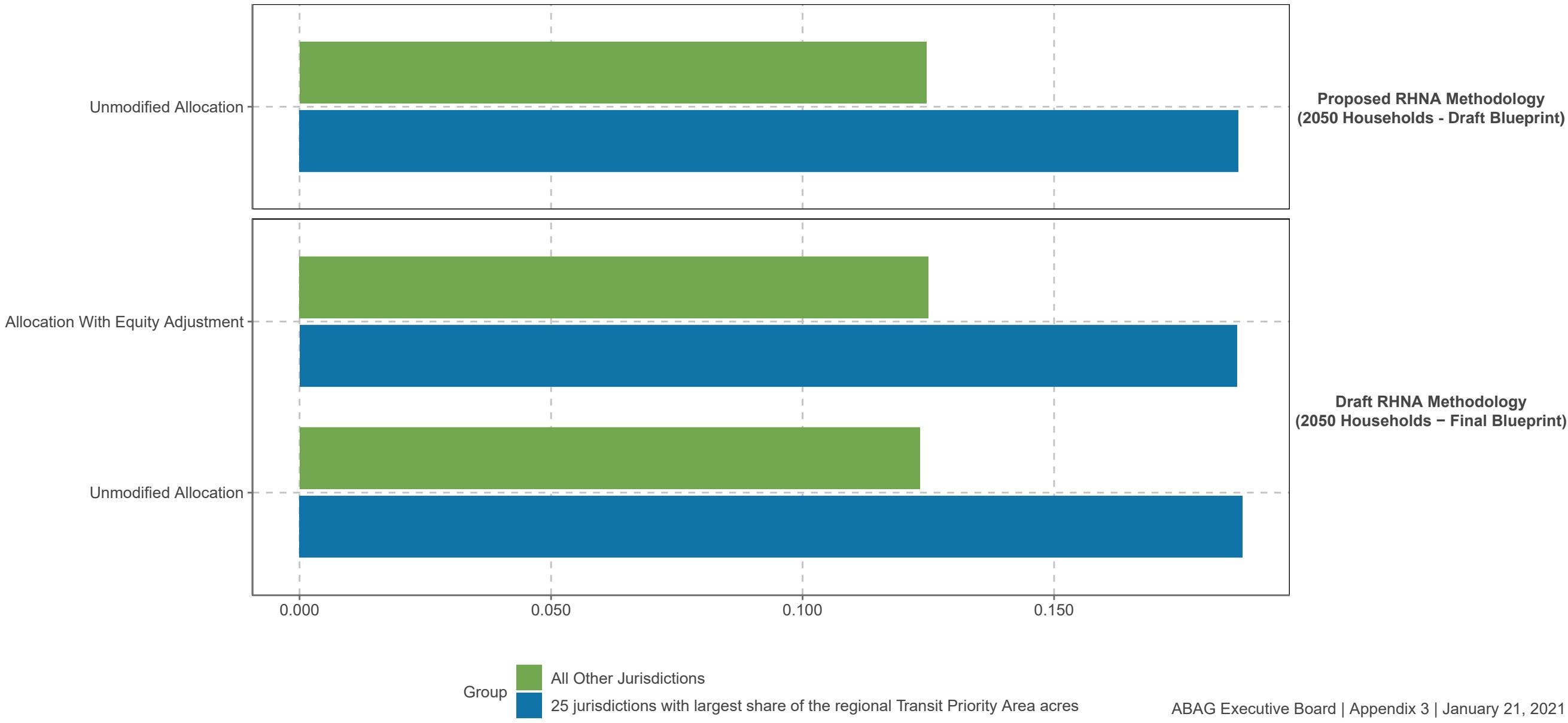


OBJECTIVE 2: Does the allocation promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets?

Comparison between the top 25 jurisdictions with the most transit access and the rest of the region

METRIC 2b: Do jurisdictions with the largest share of the region's Transit Priority Area acres have the highest growth rates resulting from RHNA?

Average growth rate resulting from RHNA

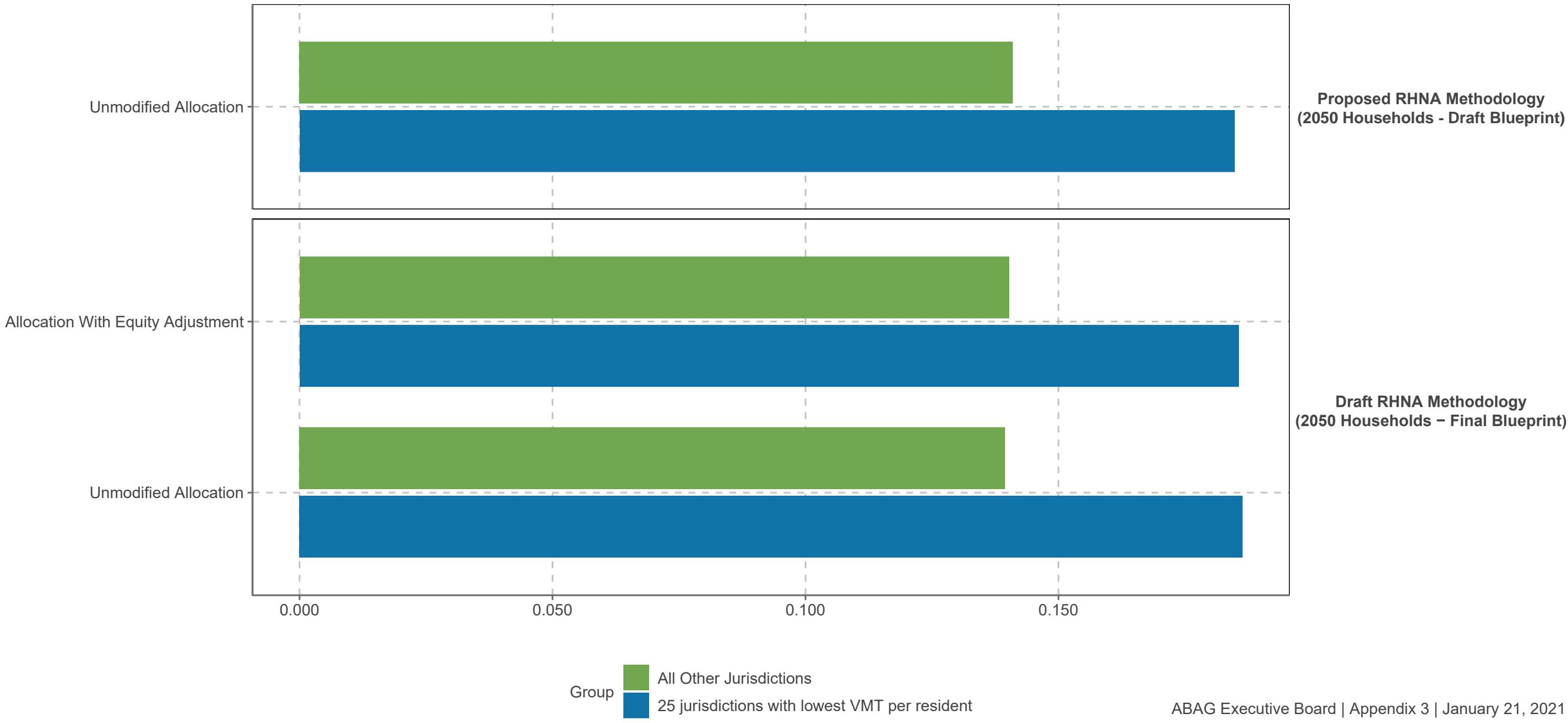


OBJECTIVE 2: Does the allocation promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets?

Comparison between the top 25 jurisdictions with the lowest VMT per resident the rest of the region

METRIC 2c: Do jurisdictions whose residents drive the least have the highest growth rates resulting from RHNA?

Average growth rate resulting from RHNA



OBJECTIVE 3: Does the allocation promote an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction?

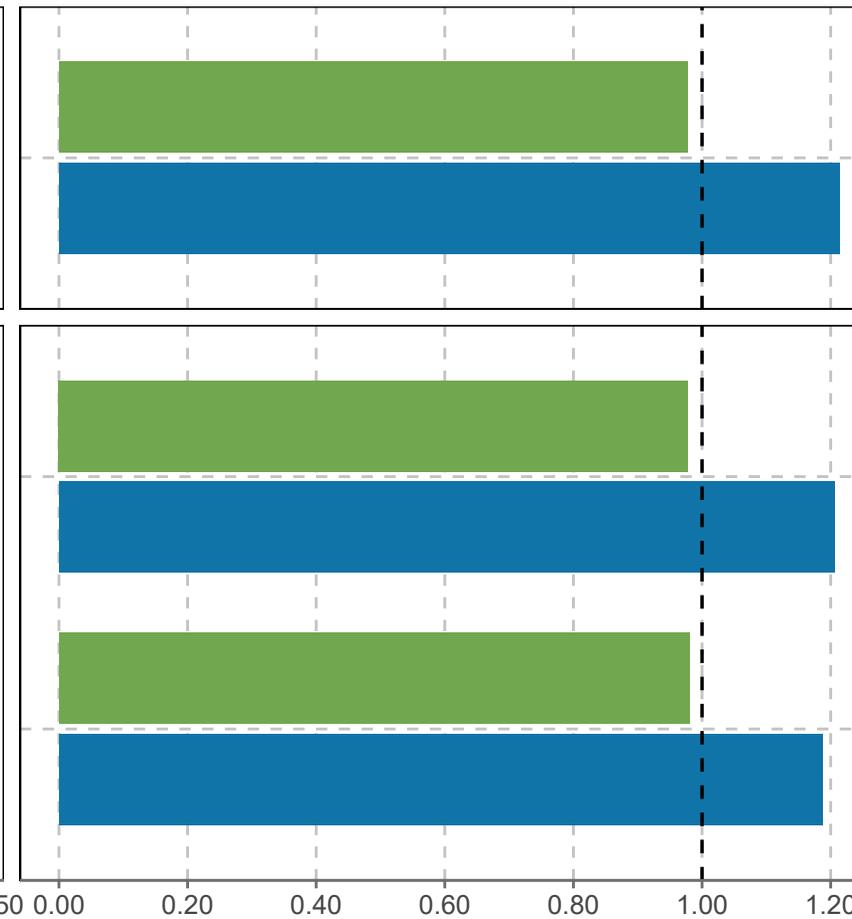
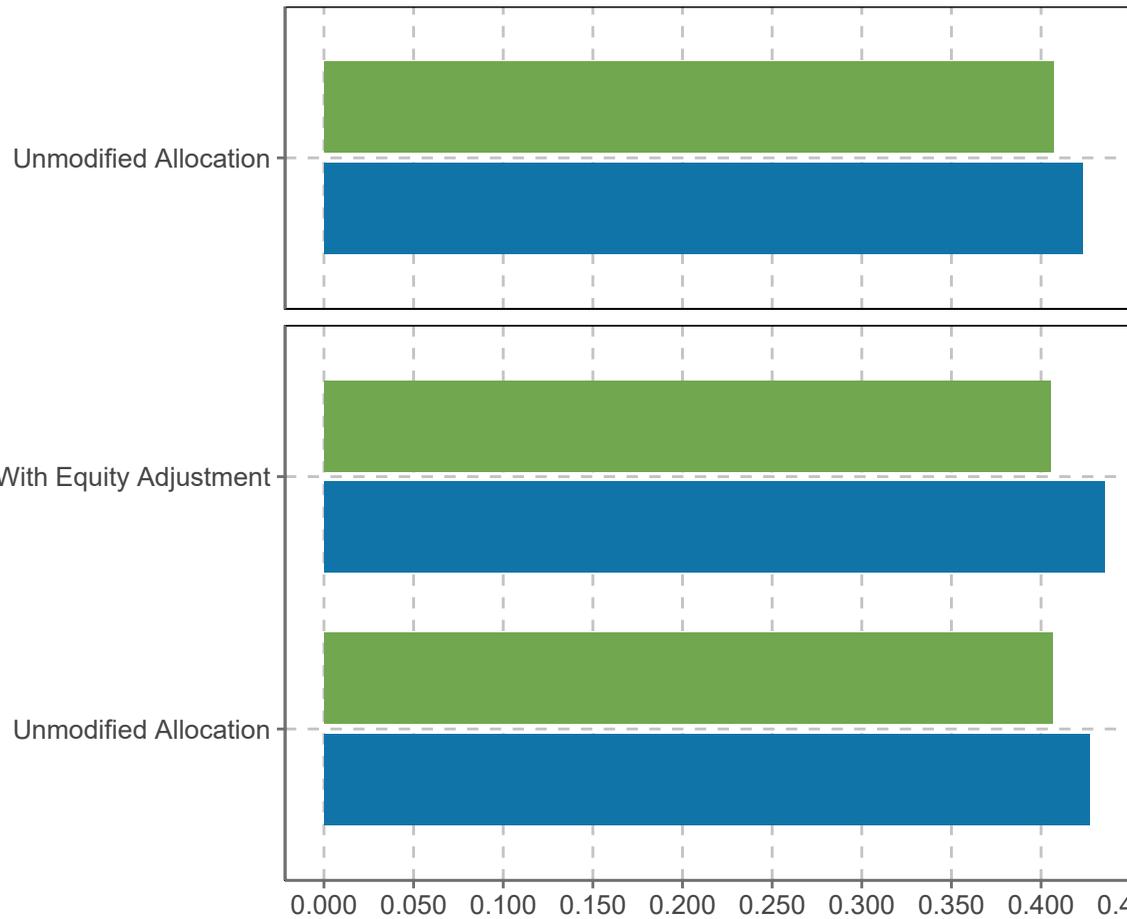
Comparison between the top 25 jurisdictions with the most unbalanced jobs-housing fit and the rest of the region

METRIC 3a.1: Do jurisdictions with the most low-wage workers per housing unit affordable to low-wage workers receive a significant percentage of their RHNA as lower-income units?

METRIC 3a.2: Do jurisdictions with the most low-wage workers per housing unit affordable to low-wage workers receive a share of the region's housing need that is at least proportional to their share of the region's households?

Percent of RHNA as lower income units

Ratio of share of total RHNA to share of region's households



**Proposed RHNA Methodology
(2050 Households - Draft Blueprint)**

**Draft RHNA Methodology
(2050 Households - Final Blueprint)**

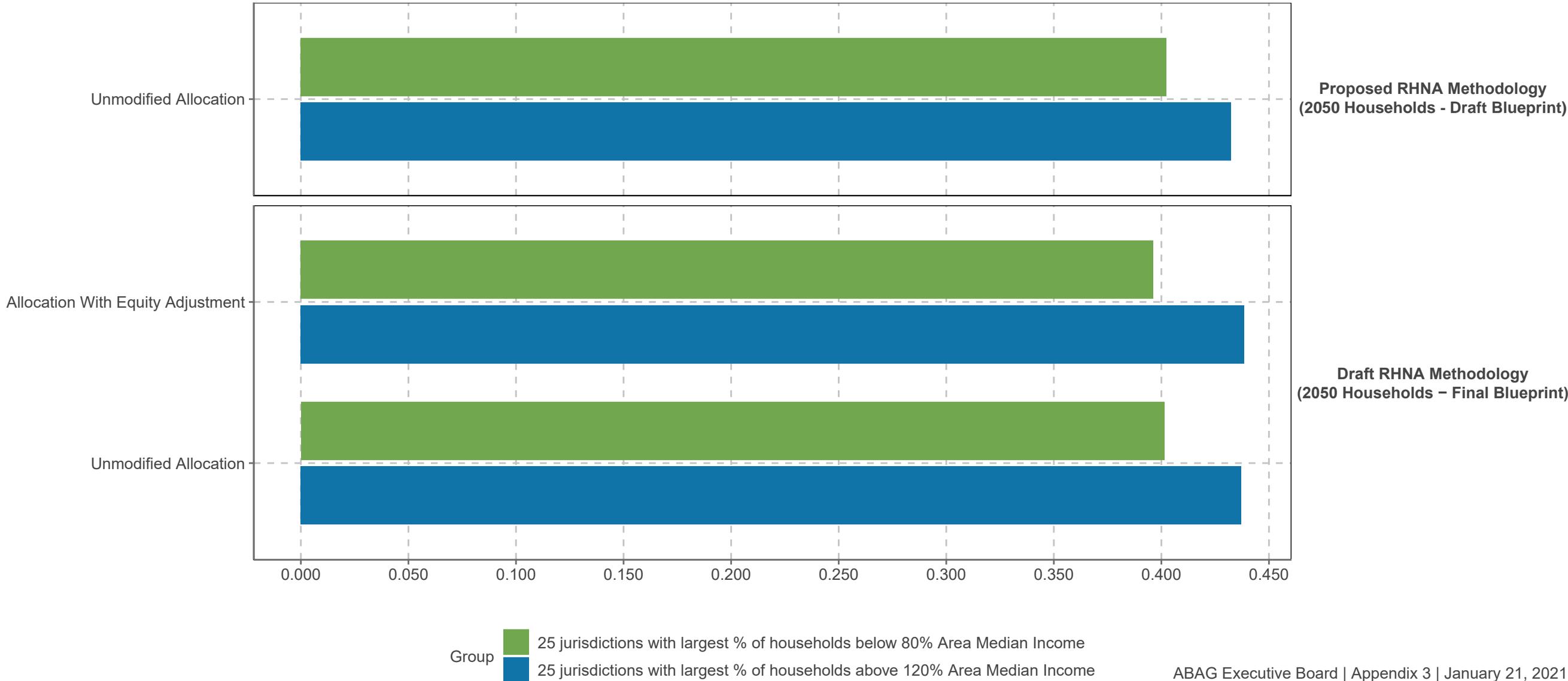


OBJECTIVE 4: Does the allocation direct a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category?

Comparison between the top 25 most disproportionately high-income jurisdictions and top 25 most disproportionately low-income jurisdictions

METRIC 4: Do jurisdictions with the largest percentage of high-income residents receive a larger share of their RHNA as lower-income units than jurisdictions with the largest percentage of low-income residents?

Percent of RHNA as lower income units



OBJECTIVE 5: Does the allocation affirmatively further fair housing?

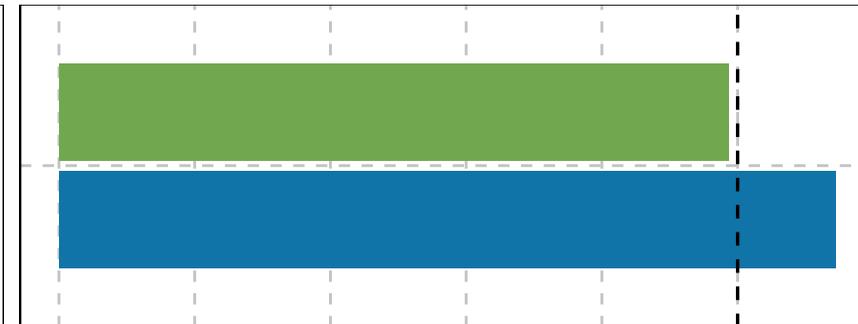
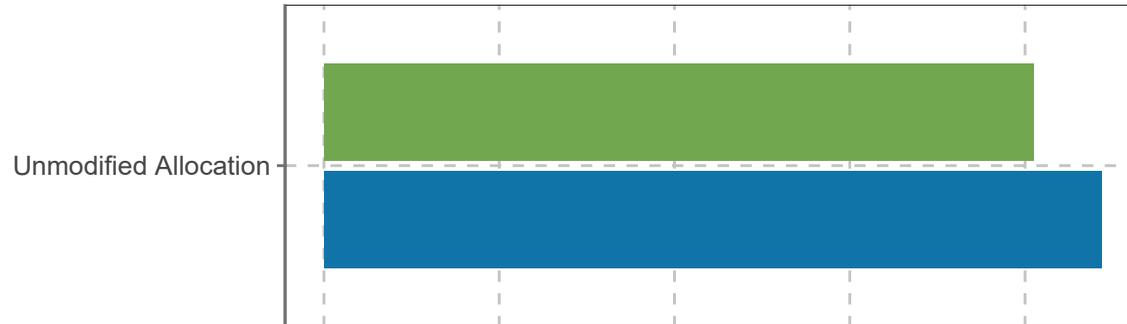
Comparison between the top 25 jurisdictions with the most access to resources and the rest of the region

METRIC 5a.1: Do jurisdictions with the largest percentage of households living in High or Highest Resource tracts receive a significant percentage of their RHNA as lower-income units?

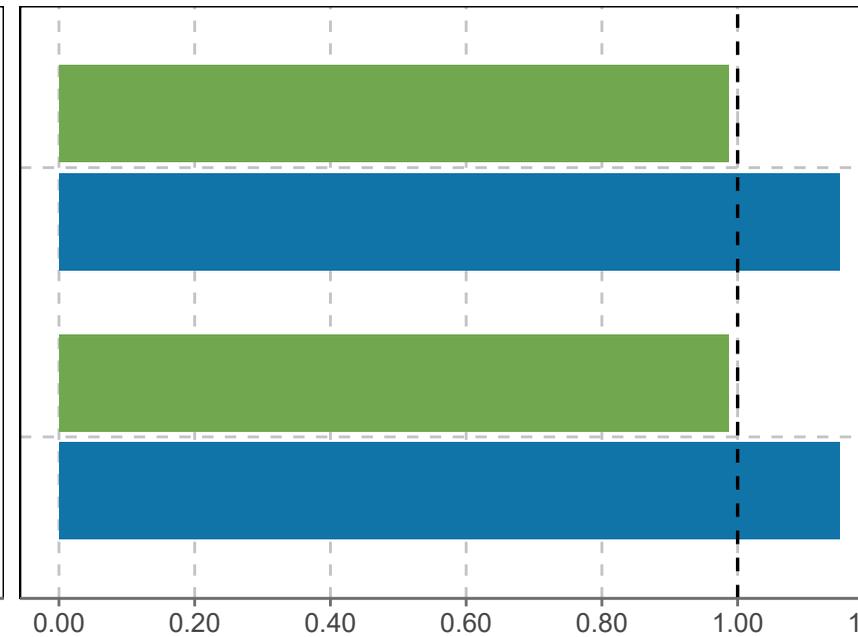
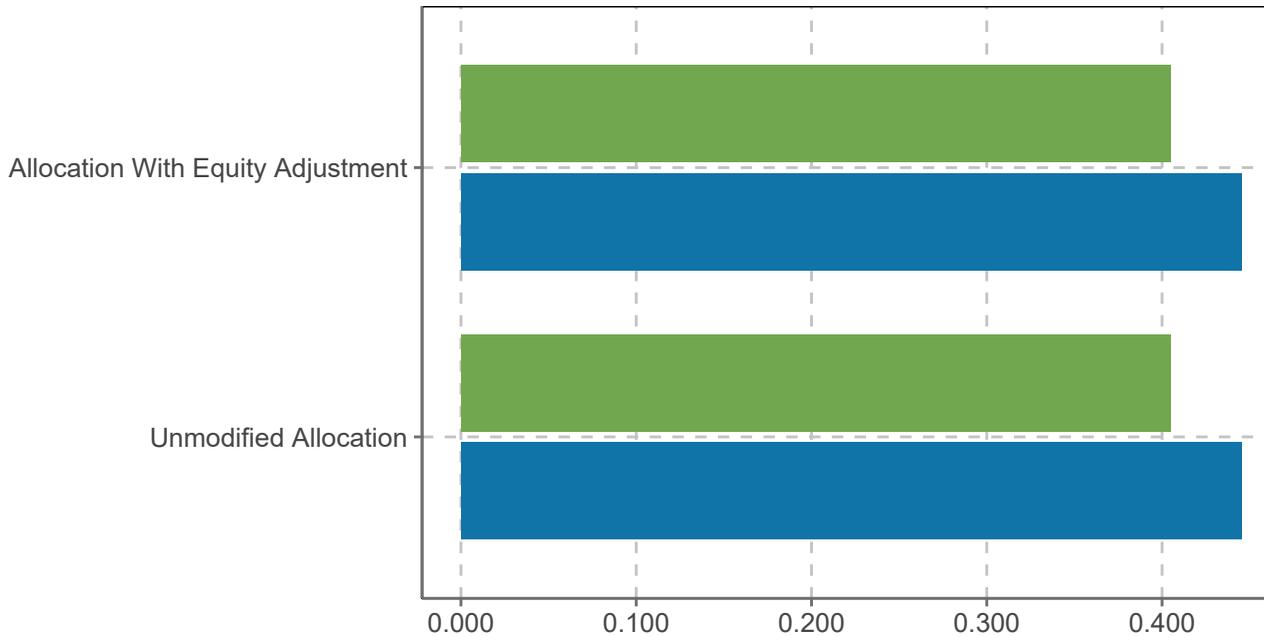
METRIC 5a.2: Do jurisdictions with the largest percentage of households living in High or Highest Resource tracts receive a share of the region's housing need that is at least proportional to their share of the region's households?

Percent of RHNA as lower income units

Ratio of share of total RHNA to share of region's households



**Proposed RHNA Methodology
(2050 Households - Draft Blueprint)**



**Draft RHNA Methodology
(2050 Households - Final Blueprint)**

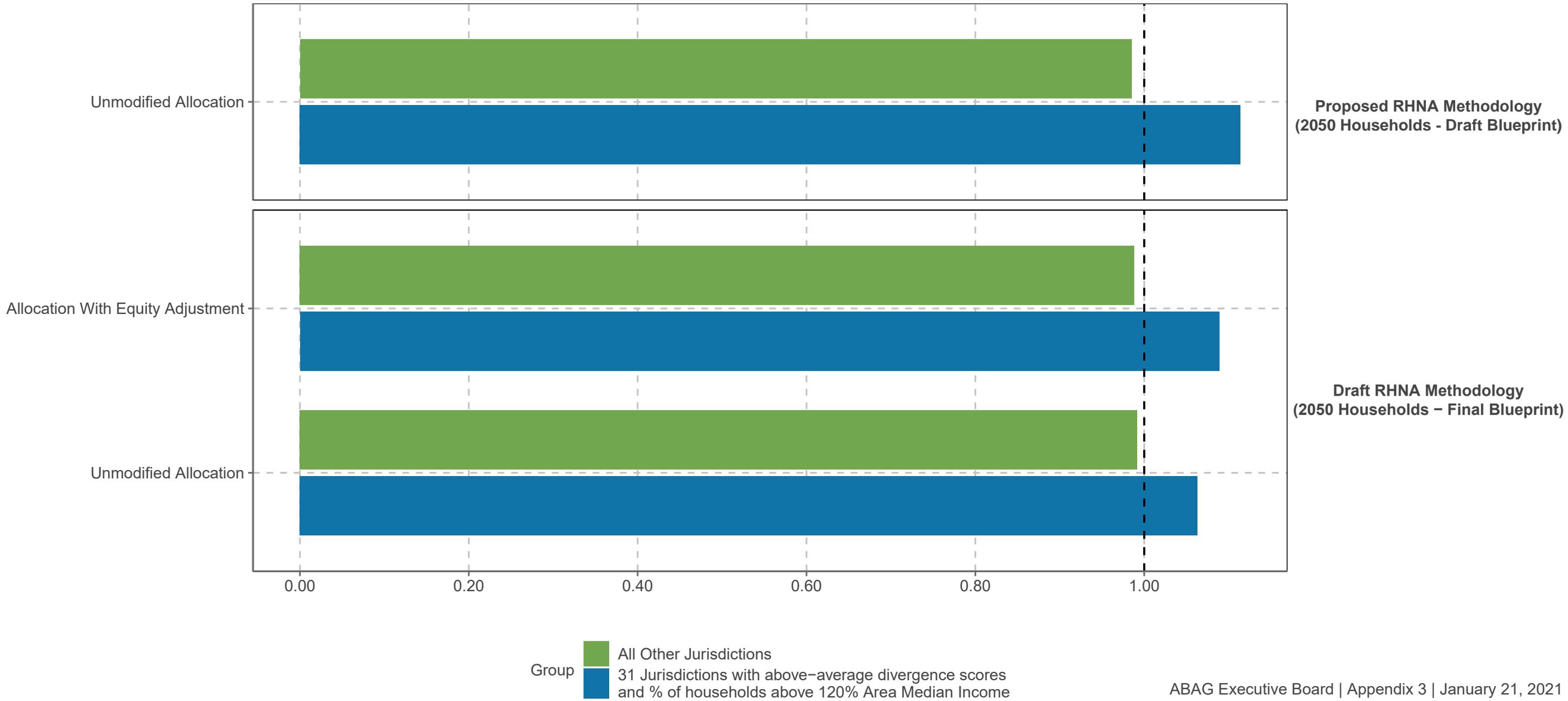


OBJECTIVE 5: Does the allocation affirmatively further fair housing?

Comparison between jurisdictions that have both above-average divergence scores and disproportionately large shares of high-income residents and the rest of the region

METRIC 5b: Do jurisdictions exhibiting racial and economic exclusion receive a share of the region's housing need that is at least proportional to their share of the region's households?

Ratio of share of total RHNA to share of region's households

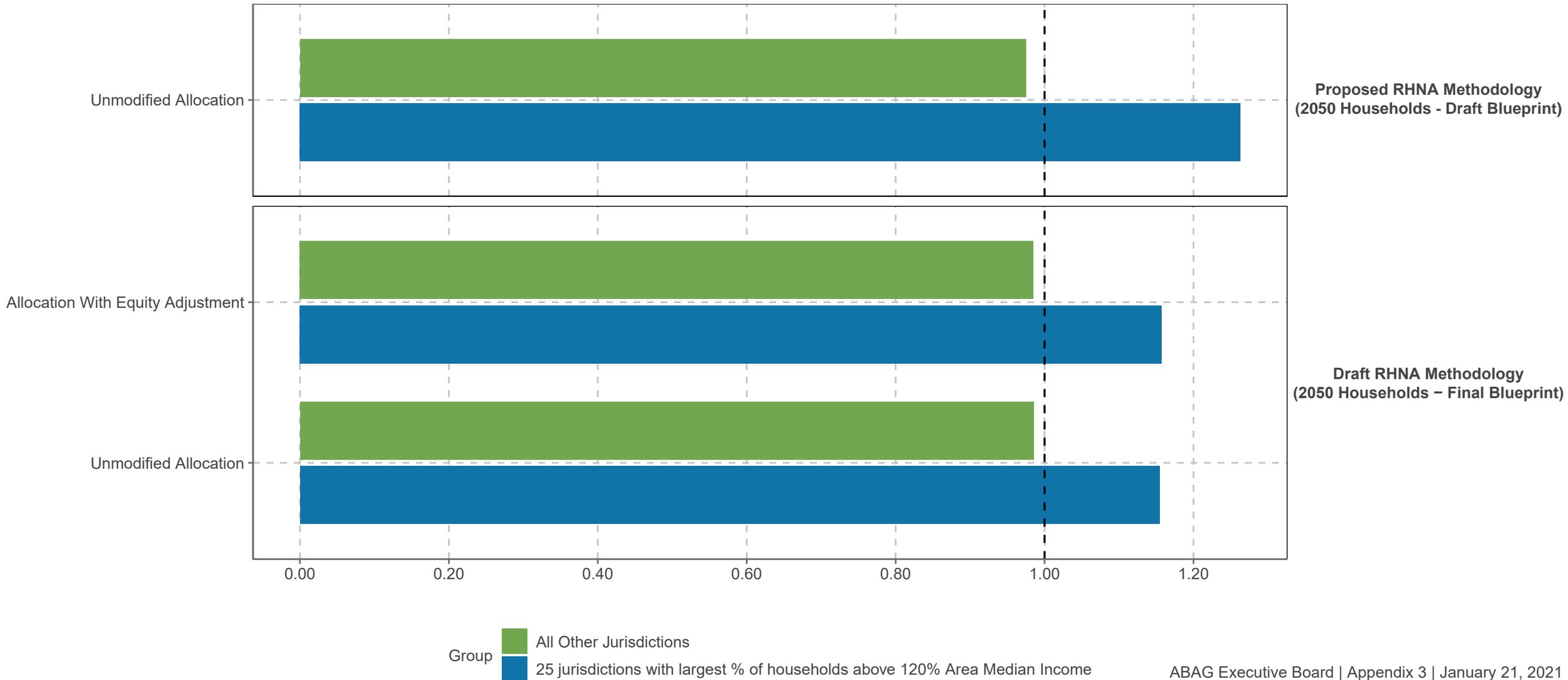


OBJECTIVE 5: Does the allocation affirmatively further fair housing?

Comparison between the top 25 most disproportionately high-income jurisdictions and the rest of the region

METRIC 5c: Do jurisdictions with the largest percentage of high-income residents receive a share of the region's housing need that is at least proportional to their share of the region's households?

Ratio of share of total RHNA to share of region's households



OBJECTIVE 5: Does the allocation affirmatively further fair housing?

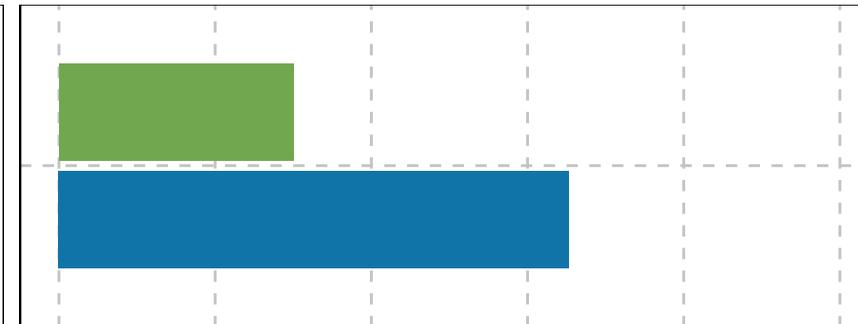
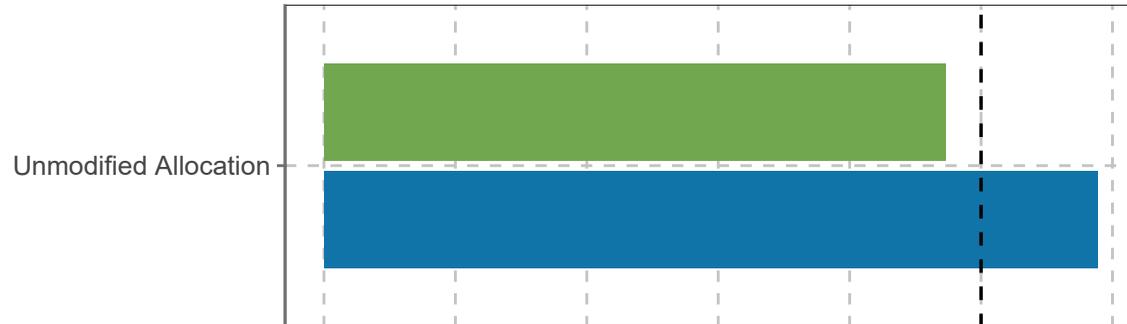
Comparison between the top 49 jurisdictions exhibiting above average racial and socioeconomic exclusion and the rest of the region

METRIC 5d.1: Do jurisdictions with levels of racial and socioeconomic exclusion above the regional average receive a total share of the region's very low- and low-income housing need that is at least proportional to their total share of the region's households?

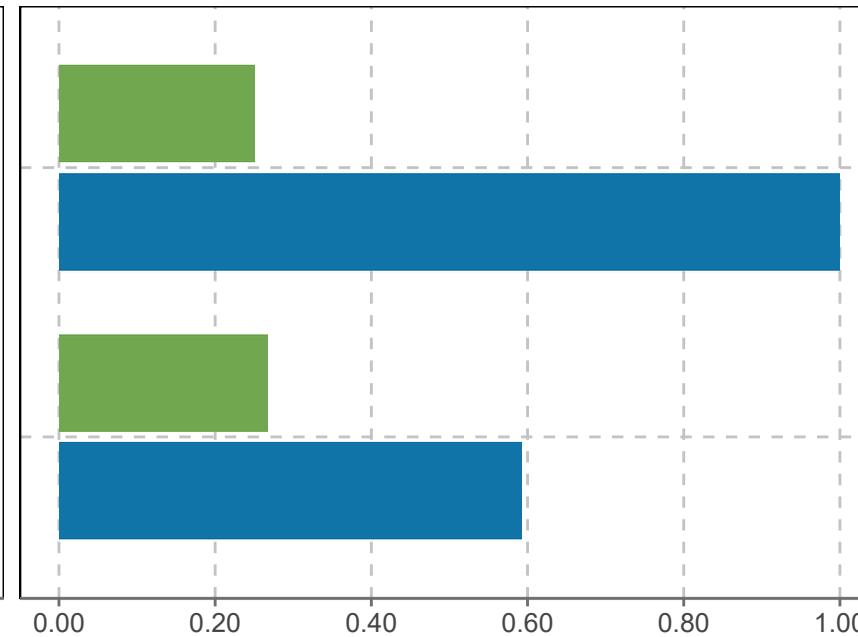
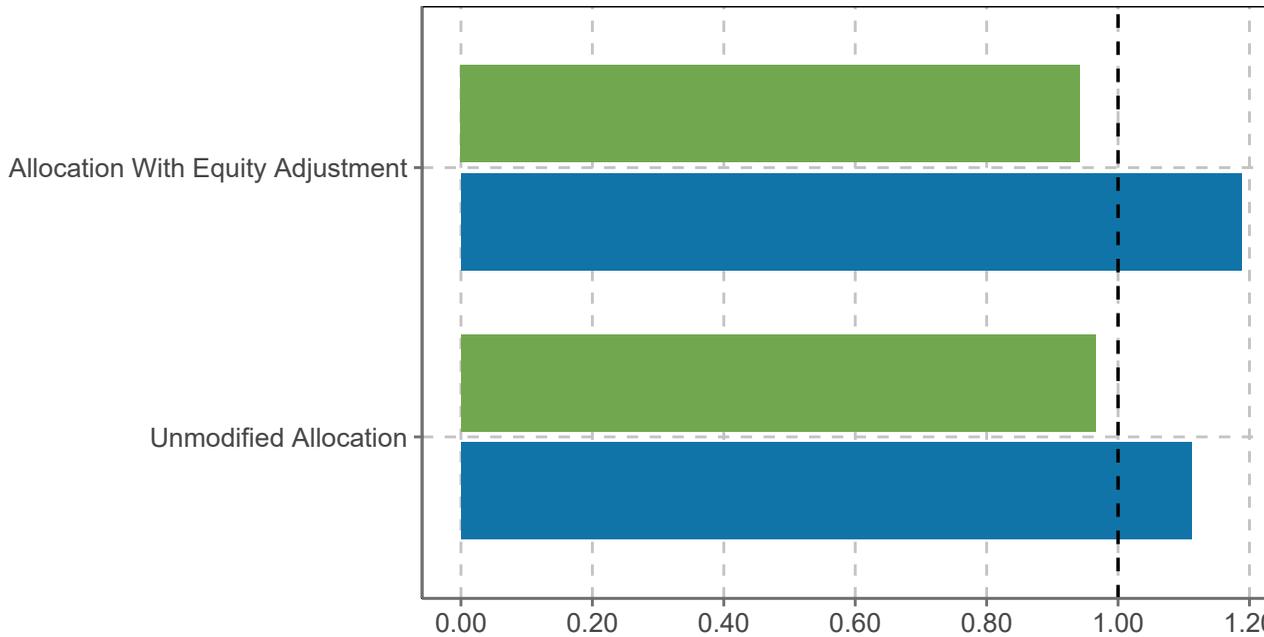
METRIC 5d.2: Does each jurisdiction exhibiting racial and socioeconomic exclusion above the regional average receive a share of the region's very low- and low-income housing need that is at least proportional to its total share of the region's households?

Ratio of share of lower-income RHNA to share of region's households

Jurisdictions receiving at least a proportional lower-income allocation



**Proposed RHNA Methodology
(2050 Households - Draft Blueprint)**



**Draft RHNA Methodology
(2050 Households - Final Blueprint)**

Group
■ All Other Jurisdictions
■ 49 Jurisdictions with levels of racial and socioeconomic exclusion above the regional average